



PLANNING COMMISSION REGULAR SESSION AGENDA

Monday, March 14, 2016 - 7:00 PM

City Hall, Council Chambers, 169 SW Coast Hwy, Newport, OR 97365

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. APPROVAL OF MINUTES

2.A. Approval of the Planning Commission regular session meeting minutes of February 22, 2016.

[Draft PC Regular Mtg Minutes 2-22-16.pdf](#)

3. CITIZENS/PUBLIC COMMENT

A Public Comment Roster is available immediately inside the Council Chambers. Anyone who would like to address the Planning Commission on any matter not on the agenda will be given the opportunity after signing the Roster. Each speaker should limit comments to three minutes. The normal disposition of these items will be at the next scheduled Planning Commission meeting.

4. ACTION ITEMS

4.A. Final Order for File No. 1.CUP.16. Final Order approving a request submitted by Oregon Brewing Co., Inc. (Dennis Bartoldus, authorized representative) (Port of Newport, property owner) for approval of a conditional use permit for the addition of warehouse space to the existing brewery complex located at 2320 SE Marine Science Drive. The Planning Commission held a public hearing on this matter on February 22, 2016.

[File 1-CUP-16 Final Order.pdf](#)

4.B. Confirmation and/or suggested amendments to draft City Council Goals for fiscal year 2016-17.

5. PUBLIC HEARINGS

6. NEW BUSINESS

6.A. Oregon Government Ethics Commission online registration.

7. UNFINISHED BUSINESS

7.A. Debrief Parking Study kickoff meeting.

8. DIRECTOR COMMENTS

9. ADJOURNMENT

Draft MINUTES
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, February 22, 2016

Commissioners Present: Jim Patrick, Rod Croteau, Lee Hardy, Bob Berman, Mike Franklin, and Bill Branigan.

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

1. **Call to Order & Roll Call.** Chair Patrick called the meeting to order in the City Hall Council Chambers at 7:01 p.m. On roll call, Hardy, Berman, Croteau, Patrick, Franklin, and Branigan were present.

2. **Approval of Minutes.**

A. Approval of the Planning Commission work session and regular session meeting minutes of January 25, 2016.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, to approve the Planning Commission meeting minutes as presented. The motion carried unanimously in a voice vote.

3. **Citizen/Public Comment.** No public comments.

4. **Action Items.** There were no action items.

5. **Public Hearings.**

Patrick opened the public hearing portion of the meeting at 7:02 p.m. by reading the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits. Hardy and Franklin declared they drove by the site. Croteau, Berman, Patrick, and Branigan declared site visits. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard.

A. **File No. 1-CUP-16.** A request submitted by Oregon Brewing Co, Inc. (Dennis Bartoldus, authorized representative) (Port of Newport, property owner) for approval of a conditional use permit per Section 14.03.080/“Water Dependent and Water-Related Uses” of the Newport Municipal Code (NMC) in order to add approximately 40,250 square feet of warehouse space to the existing brewery complex located at 2320 SE Marine Science Drive (a portion of Tax Lot 00111 of Lincoln County Assessor’s Tax Map 11-11-17-00), which is in a W-2/“Water-Related” zone.

Patrick opened the hearing for File No. 1-CUP-16 at 7:04 p.m. by reading the summary of the file from the agenda. He called for the staff report. Tokos explained that this is a proposal from the Rogue Brewery to add approximately 40,250 square feet to the warehouse done over two phases. The first phase will involve an expansion of about 26,400 square feet. In addition, they will be filling in a decommissioned boat launch area creating about a 35,400 square-foot multi-use area immediately north of the expansion area. Phase 2 will be an additional 13,850 square feet of warehouse space added to the building. The second phase would be initiated within five years of the date a decision’s rendered by the Commission. The property is located at 2320 SE Marine Science Drive. Tokos said, as noted by the Chair, this is a conditional use permit. The criteria for a conditional use permit are found in Section 14.34.050 of the Newport Municipal Code. Tokos read through the criteria. They are that first, the public facilities can adequately accommodate the proposed use; second, that the request complies with the requirements of the underlying or overlay zone; third, that the proposed use does not have an adverse impact greater than existing uses on nearby properties, or impacts can be ameliorated through imposition of conditions of approval; and the fourth is that a proposed building modification is consistent with the overall development character of the neighborhood with regard to building size and height, considering both existing buildings and potential buildings allowable as uses permitted outright. Tokos noted that the application filed by Oregon Brewing Company prepared by Attorney Dennis Bartoldus lists these criteria and provides

responses to each of the criteria explaining how the standards have been satisfied. The application materials were included in the Commission packet; they include the narrative and site plans, and also included was the notification information and a zoning map. Tokos noted that the entire case record is available before the Commission tonight.

Tokos said the biggest issue on this application is the need for Rogue to invest in some effluent monitoring equipment so that the City can actually track the amount of BODs in the discharge to ensure that they're within the parameters set by the City for Biological Oxygen Demand impacts on the sewer treatment facility. Tokos said this is something that he and Public Works Director Tim Gross had a chance to sit down with Mike Isaacson and Dennis Bartoldus to discuss before the staff report was finalized. Derrick noted that our Public Works Department would like to see some additional treatment on Rogue's part; but acknowledged that it's probably best to get the monitoring equipment in so that more effective monitoring can happen so we have a better handle on knowing exactly what the impacts are before we get into any additional conversation about further treatment on Rogue's end. From existing data from more limited monitoring that occurs right now with the existing monitoring system, which is next to the silo as you go into the brewery, our Public Works Department has experienced increasing demands coming from this facility in the BOD arena, and its impact on our sewage treatment facility. With this expansion, that certainly would provide Rogue the additional capacity for brewing, which would have impacts. So, in terms of our Public Works Department, it's a timely request. Our Public Works Director is working with Rogue to come up with some costs for what that equipment would be. We expect that can be resolved between now and the time that a final order would be presented to the Commission. We expect to have that sorted out shortly. The monitoring equipment would be purchased and installed by Rogue. The monitoring station would be shifted from the area by the silo to actually in the public right-of-way where it could be easier accessed. He said it shouldn't be a major issue; it would just be installed right before the effluent discharges into the sewer main and merges with other effluent from other properties.

Tokos said another issue was from the Fire Department. This is not really an issue so much as just something we need to track and make sure happens. He noted that the Rogue is totally on board with this, which is maintaining the existing fire hydrant and installing an additional hydrant to provide for fire suppression on the expanded structure. As pointed out in the staff report and talked about with Rogue, in Phase 2, we would like to see the area between Landscape Areas "A" and "B" be merged so that when Phase 2 comes on we don't have a situation where cars are coming in at an angle at the intersection with Marine Science Drive. It's not a safe traffic move and would cause issues long-term. So by merging those two, they can simply just redirect cars further to the east and they can merge into the internal driveway a little further away from that main exit.

The last issue, and one that they've talked to the Port and to Rogue a little bit about and that he just wants to make sure gets cleared here, is with respect to the dry camping area. The expansion extends onto the existing striping; so that striping pattern doesn't work anymore once the building expansion occurs. If it's going to continue to be used for parking purposes, the lot needs to be striped in a manner that meets our parking code. Rogue provided plans that showed that that's feasible. That plan's not at the scale their building plans would be, but it's sufficient for this purpose. The point is that if it's going to continue to be used for parking purposes, it needs to be striped in that kind of a manner. If it's not going to be used for parking purposes, then the existing striping needs to be removed so that we don't have a confusing striping arrangement out there that's inconsistent with the City's parking standards.

Tokos said otherwise everything else lines up well with the criteria. He touched on the conditions that are listed in the staff report. There were six conditions in there, which he recommended the Commission include should they elect to approve this. He does believe that this application satisfies the criteria provided these types of conditions are stipulated. The first condition is something that is important and that we put in all of our conditional use permits, which is that any approval is based on the information that was provided, and the applicant is bound by that information. The second condition is that the applicant or owner shall install at their expense the monitoring station in the road right-of-way at a point prior to the service discharging into the sanitary sewer system; and that the vault and associated equipment shall conform to city standards for the purpose of monitoring effluent flow, BOD, pH, and temperature. Once it's installed, it's to be owned and operated by the City. The monitoring system is to be in place and operational prior to occupancy of the Phase 1 expansion. The third condition is that the Phase 2 site plan shall be revised to show that landscaping will be installed between Landscape Areas "A" and "B" on the site plan that was included in the application. That vehicles would then utilize the access between Landscape Areas "C" and "D" further to the east where they can approach the internal driveway at a 90-degree angle. The revised site plan shall be included as part of the applicant's building plan, which we have not yet received. Fourth is that the applicant or owner shall stripe the multi-use area east of the expanded brewery in a manner consistent with the City's parking code (Chapter

14.14) if the area is continued to be used for parking purposes. Alternatively, the existing striping shall be removed if the area will no longer be used for parking purposes. The fifth condition gets at the Fire Department's request, which is that the applicant or owner shall coordinate with the Fire Department on placement of hydrants as part of plan review to ensure that the standards of the Oregon Fire Code are met. Lastly, that the approval of this conditional use permit is valid for a period of five years, which the Planning Commission has the authority to do. Typically, a conditional use permit would only be valid for two years; however, the Commission does have the option under our code to grant a longer time period, particularly in the context of a phased application such as this.

Croteau asked if this effluent monitoring system is going to monitor effluent from the total facility. Tokos said from the brewery. Croteau asked if that's the principal source of the biological oxygen demand issue. Tokos confirmed it was. Croteau asked if there's any chance of storm water entering this system. Tokos said there shouldn't be. This is a sewer collection system, not a storm water collection system. The monitoring system would need to be installed along the discharge line from the brewery to the city sewer main so that it's monitoring before it reaches the common main. Patrick said it picks up the brewery, the restaurant, the restrooms, and all of that. Tokos said that's an excellent point. When they sat down with Mike Isaacson, he was thinking maybe some of the issue with the BODs is actually coming from the restaurant; and that's a possibility. It's something for Rogue to take a look at in terms of their operations. The City does have issues with restaurants elsewhere with all of the food debris that gets into the sewer system. But the brewery obviously has a significant impact given the volume of product that flows through there. Berman asked if the monitoring is the same that needed to be done on the distillery on that expansion; or are these problems of a different nature. Tokos said they're of a different nature. They're different facilities. The distillery had some different issues that the City worked through with Rogue. Berman asked if everything is working out okay. Tokos said yes as far as he knows. He believes that Public Works ended up coming up with alternate solutions with Rogue, but the solutions that are in place right now appear to be working with the distillery. Berman asked if that other vault ended up getting constructed. Tokos said he thought they came up with an alternate solution, he doesn't recall the details. The City worked through a Memorandum of Agreement with Rogue on a solution, and he thinks it did have to do with a monitoring system; but they made some changes to their distillery operation to address those same issues. So, we got to the same place, just by alternative means. Berman thought one of the conditions from that was that there be construction of a vault with monitoring equipment. Tokos thought we tailored that one slightly differently. Branigan asked who determines if we continue dry camping over there. Tokos said that's the Port's call. Croteau noted that the Port has a separate letter of understanding with the brewery and wondered if there's anything from that letter that needs incorporation into our document; or is that totally separate from this. Tokos thought that's a totally separate enforceable agreement between Rogue and the Port.

Proponents: Attorney Dennis Bartoldus, PO Box 1510, Newport, representing Oregon Brewing came forward to testify. Bartoldus noted that also present were Jim Cline from Oregon Brewing, and from the Port of Newport were Kevin Greenwood and Rick Fuller. He noted that the Port had to sign off on the application since they are the property owner, which they did; and they provided some information that was included in the Commission packet. Bartoldus thought everything about the application is pretty clear. He noted that this is the ninth time they have come in for some variation of the conditional use permit and been before the Planning Commission. He said the request here is fairly straightforward. They are not adding any brewing capacity as such, just warehouse space; about 26 thousand in the first phase and about 14 thousand in the second phase. This will be added on to the east end of the building that is already existing. The structure will look pretty much identical to what's there now in terms of the nature of construction and size of construction; it's just a continuation of the existing building. The area to the north of the building is the area to be filled in; the old launch ramp that's been decommissioned for some years. That will be developed at above an elevation of 11 ½ feet to keep away from having to do Corp or DSL permits. It will be sufficiently up and not close to the water. The idea would be to level that area so it would be level with the others. There will be a walkway along the west side of that area. Part of the fill from when they do the work on the Rogue building would be deposited in there. If they need more, the Port probably still has some that could be used in that area. The idea would be to fill that in and make it a multi-use area. That is actually going to happen as part of Phase 1. Bartoldus wanted to talk about the conditions. He noted that Tokos is correct in that Mike Isaacson, Tim Gross, Tokos, and Bartoldus met last week to discuss the issues that Gross was concerned about from the Public Works point of view. Right now there's monitoring on the system from the brewery, but apparently it's done at a particular time. Every time they get about five samples a month, and if nothing's flowing through the line, they don't get any sample. Bartoldus said as he understands it, they have systems that, as Gross would say, you can buy off the shelf. Before when this was being discussed, it was going to be a really expensive proposition. He understands now you can get these units for probably in the neighborhood of about \$20 thousand that basically fits right there in conjunction with

the manhole, and it monitors what comes out anytime there's flow through the line. The idea was they could get those measurements and then develop that over a period of time to see what the readings were to develop some plan if they needed to. Presently Rogue already takes the yeast, hops, and all of that is pulled out and is not going into the sewer system now. That's separately taken away. Rogue indicated to Bartoldus if they can get one of those monitoring devices for about \$20 thousand, they are fine in doing that. He said, as Tokos had indicated, Rogue is also going to take a look at the restaurant operation and look at the whole thing to determine what they can do to help address Tim Gross' concerns.

Bartoldus thought it was also important to note that in terms of a standard and in terms of enforcement, the City already has a waste water discharge ordinance that is in Section 5 of the Municipal Code. That's really what sets the standards we are talking about here. We are just talking about a monitoring device that will help to understand if those standards are not being obtained, how they can be. Bartoldus said there was an agreement dealing with the distillery. That had to do with a separate issue. He believes the heat was an issue, and the volume of alcohol was the other issue. Part of that was that Rogue reduced the heat on site so it was already at an acceptable temperature and also the same with the alcohol content. He thinks that the main concern of that criteria was making sure that Gross is satisfied it wasn't doing any damage to the sewer line; and he understands that Gross was satisfied with that. Rogue did expend funds to accomplish that. In terms of the BODs, they're anticipating that one of the monitoring devices that Gross has indicated will cost around \$20 thousand should be a satisfactory solution to that. Bartoldus said, as Tokos indicated, there's not a problem with the fire hydrant; that will just be put in. As far as the access to Marine Science Drive, they understand that the idea there is to get it to a 90-degree angle. That actually won't have to take place until Phase 2 because under Phase 1 there's still a 90-degree angle if you're coming through the parking lot. Unless they come up with a better solution, the landscaping island there will force traffic up around and back, and that will work out. They understand the idea of that is to get traffic hitting Ferry Slip and Marine Science Drive at a 90-degree angle; so that would be accommodated. Regarding the day camping area, Rogue and the Port will work out what they're going to do there; but in that particular situation if it is used for parking then it has to be striped. He doesn't see that's any huge factor here.

Addressing the four requirements for the conditional use, Bartoldus noted that the first is that the public facilities can accommodate the proposed use. He said we've been discussing that, and there doesn't seem to be a problem with that. The City wants the monitoring device in there. The second requirement is that the request complies with the requirements of the underlying or overlay zone. He noted that the Planning Commission made a determination actually on the first conditional use permit that the microbrewery was in fact a food and beverage establishment that was allowable as a conditional use in a W-2 zone. The warehouse that they're doing right now is actually an outright use in the W-2 zone; but because the City wanted to basically have a look at the various expansions as they came through, Rogue is in this conditional use permit situation right now. The third requirement is that the proposed use does not have an adverse impact greater than existing uses on nearby properties. He explained that this is just more of the same really. Everything is already down there. You have the aquarium, you have government buildings, and you have NOAA. The buildings in size and shape and everything are consistent with what are there in the area. There's really not going to be much difference at all in terms of truck traffic. There's really no impact that's going to be any different than what there is now. The last requirement is that the proposed building or building modification is consistent with the overall development character of the neighborhood with regard to building size and height. He thinks that's also been addressed through the comments he just made. He believes the building height at the peak is 33 ½ feet; and that's the height that will continue onward.

Bartoldus said he knows that most of the Commissioners are very familiar with the area down there. This is just an expansion to the east. Utilities and all that type of thing are being worked out with Public Works in terms of if any lines or anything on site have to be moved. The monitoring system will be moved from closer to the building out toward the street. Public Works wanted it out near or in the public right-of-way, so that is why it's being moved there.

Berman asked what the long-term impact will be on the Seafood and Wine Festival. Jim Cline, Rogue Brewery, 2320 SE Marine Science Drive, came forward to address that question. Cline said they'll go back to the old days. What he means by that is that they've talked to Laura at the Chamber, and Rogue will be donating the use of the building for at least the next ten years to the Chamber for the Seafood and Wine Festival as they have in the past. That is the agreement they came to in order to help the community. There may be a tent placed to supplement that. So, Rogue will assist the Chamber in supporting the Seafood and Wine Festival.

Branigan noted that this is really a warehouse expansion. The request for monitoring really has nothing to do with the warehouse per se. He said it's kind of like an add-on that Tim Gross wants to do because he has some issues. Tokos said he thought Gross' point on this is when you add warehouse space, you are increasing the capacity for brewing because you have more space to store product. This is timely. We have issues, and that's why he raised the issue. Bartoldus said that raises a very good point though. He said that were they not trying to work with the City, and again he raises the \$20 thousand that they hope is pretty much the cap on that, that would exactly be his argument; that all they're doing is increasing warehouse space. It has nothing to do with production; and therefore, it couldn't be required. But he explained that's not how they have operated. They have tried to work with the City in the past and address the issues that were of concern. He said that's why he didn't mention that in his primary presentation; they are trying to work with the City. But he noted that Branigan is right that it's just warehouse space. Branigan asked if they have a lot of waste water violations; or the monitoring equipment's just not that good, and the way we do the samples, we just don't know. Bartoldus said what he understands from the meeting they had last week with the City, we really don't know because there's not a lot of really good information; they're just random samples that may be just monitoring air at some points when they're taking the samples. There's no good record to see if there is or there isn't a problem. He said that Gross has his reasons for suspecting there is a problem. When he talks to Mike Isaacson, he has his reasons for saying if there is a problem, it's not much of one, or we don't think it is, or we don't have the data. That's why the discussion was we're not going to do anything with regard to that at this point, we'll monitor it and get the data to determine if anything does need to be done. Then, like he indicated previously, the City has authority under its waste water ordinance (Section 5 of the code) to determine or regulate those discharges. Branigan asked how Rogue does the monitoring today; just kind of a hand dip thing? Fill up a bottle occasionally, and somebody runs a pH test on it? Cline explained it's once or twice a week at random times. There's times when it's fully discharging, and times when it's storm water. Branigan said so the automated monitoring system in theory can collect on a real-time basis anytime effluent is going through and know exactly what's going through. Croteau said these systems are in pretty common use for paper manufacturers. It's not a big deal. You have three prongs, and they do continuous monitoring. Croteau said Rogue is pulling yeast out before it goes to waste, so BOD can't be horribly high. Cline mentioned they have malt and sugar water. Croteau said it's a good idea to find out what it is. It's a reasonable thing to do; to test over time. Bartoldus said before when the discussions were being had, just the engineering costs alone for the device was \$20 thousand. But now Gross was saying that you can buy it off the shelf because they are in much more common use. Berman asked if this is all remote monitoring then once this is installed; it's connected to the internet? Tokos said there certainly are systems that do that; where you can have live monitoring. Cline said that's one of the systems they've discussed before; a facility with live monitoring. Berman said, so if there were indications at the treatment plant that there was something way out of whack, they could immediately inquire into this device to see whether it's Rogue, the aquarium, or Hatfield.

Kevin Greenwood, Port of Newport General Manager, 600 SE Bay Blvd, Newport, came forward to testify as a proponent. Greenwood wanted to share with the Planning Commission the Port of Newport's Board of Commissioners' intent. At their January 26th meeting, the Board of Commissioners did approve a letter of understanding with Rogue, and that included a letter from Greenwood supporting the land use application. He said it's been about an 18-month process, and there were a variety of issues that came up; most of which don't apply to the criteria in front of the Planning Commission today. However, there was approval for the 2-phase approach over a 5-year period and the construction of a multi-use area that included filling in of the decommissioned boat launch and bringing it up to grade. Another element that was important and ties into the nature of South Beach was the Board of Commissioners' request that a mural be applied to the south side of the warehouse to basically give a feeling of a sense of South Beach so that people aren't seeing a warehouse per se, but a graphic that folks can enjoy. The Port will be working with the City's public arts committee to design a mural that presents that nature. The lease continues, as Cline mentioned, to allow for the siting of special events; and Greenwood thinks that's important for the nature of that area. There's also a prohibition on further expansion at the current site after Phase 2. Greenwood thinks the Port Commission was very intent in wanting to allow the recreational areas to be enjoyed by the RVers and the boaters. The Port does have other sites available if Rogue were to expand, but not right there where that's used for a multi-use purpose. They want to stress that the new multi-use area is intended to be open and usable for a variety of events; so the Port does not intend to stripe that area in the immediate future. They understand the City's concern about the pre-existing striping; and they understand that they might have to deal with that. Greenwood said at this time the Port is in full approval of the land use application.

Branigan said that he assumes where they fill the decommissioned boat ramp, the Corp is okay with what is proposed to be put in. Greenwood said they don't really have jurisdiction over that area. Branigan asked, then you don't have

to worry about them getting involved? Patrick noted that the fill is above the high water mark. Greenwood said the material is actually considered State Lands material; so if they keep it on site, there's an economic use. He doesn't think they'll even have to pay the royalty fee that the State expects normally.

Croteau noted that they are going to remove the picnic tables and the bunkers there close to the bridge. He wondered if they plan to reinstall some sort of comparable area. Greenwood said that they do in time. They will be coming up with some cost estimates and will be taking those through the budget process and get a sense of the scope that the budget committee and the commission would like to add value to that area. He thinks it will be a fantastic area. He thinks there will be an opportunity for people to come, park temporarily, and look out over the marina. It will be up high so there will be great visibility. He thinks in the long-run, it's really going to make South Beach a more attractive place. It's going to be incumbent on the Port in its long-term planning to add some amenities to South Beach. He said, so absolutely that's going to be one of their goals.

There were no other proponents present wishing to testify.

Opponents or Interested Parties. There were no opponents present to testify.

Patrick closed the hearing at 7:40 p.m. for Commission deliberation. Branigan said with Case File 1-CUP-16 he would recommend to go ahead and approve the conditional use permit with the conditions that staff has listed. The question he had as far as the effluent and why we're doing the monitoring were answered. It appears Rogue is going to work with the City to figure out how to cost-effectively handle all of the effluent discharged. He doesn't see any reason not to go forward. Franklin said that he agreed one hundred percent. Croteau saw no problem. He said that everything's in order. Berman agreed. He added that he appreciates the mural. He had thought about raising the issue that it's just another big gray wall. He thinks that's a great idea, and he looks forward to seeing it. Hardy had no problem with the request. Patrick also agreed. He said it meets the criteria. He thinks it's a good idea.

MOTION was made by Commissioner Croteau, seconded by Commissioner Franklin, to approve File No. 1-CUP-16 with the conditions indicated. The motion carried unanimously in a voice vote.

6. New Business.

A. March 14th work session to review and provide feedback/recommendations on City Council's tentative goals. Tokos noted that in the past the Commission would typically have an opportunity to discuss the annual report, goals, and work program before the City Council did their goal setting; but that didn't happen this time. City Manager Spencer Nebel is working on an approach where all of the committees have a chance to do it the opposite; which is you'll get the Council goals and get a chance to look at them and provide feedback before the City Council finalizes those goals either in late March or early April. Tokos noted that included in the meeting packet was information he provided to the City Council. He said this looks a lot like the format we've used before, which is you have a chance to take a look at our building permit and land use traffic over the last year and how it relates to the last few years, and a 10-year trend for both. He gave a summary of our permit traffic. He talked about what our ongoing goals are; short-term goals, two to five year goals, and goals for five plus years. He noted that tomorrow the City Council will go through this; and Tokos will spend the better part of the day off and on talking to them about these various issues. Housing will be one of those; and they will be digging into that in some detail. That's why Tokos didn't bring a letter to the Commissioners at this meeting. He will bring it on March 14th. He wanted the Planning Commission to have this information to know what the City Council will see and have a chance to take a look at it. Then when you get the City Council information, if the Commissioners have other ideas or issues you want to put on the table, we can talk about it on the 14th. Croteau said it's interesting and useful stuff; and a lot of it. It's pretty ambitious. Tokos said it's an extensive work program. He said, as the Commissioners are aware, many of these things take many years to work their way through. He also does a monthly summary for the City Council where he's touching on a number of these projects and ongoing progresses. It helps you see how these things build over time. Now we have an Urban Renewal District that came from an Economic Opportunity Analysis discussion. Things build, and the things ultimately get adopted into our Comprehensive Plan and various plans and refinement plans. Many of those strategies and action plans do get implemented. Some don't, but they don't for reasons. Sometimes, it's just not timely, other times you have new elected officials who have different priorities. It's part of the process.

Patrick said some of these things have been around for a long time. We've been talking about them for quite a while. The one new to him was work with Central Lincoln PUD and ODOT in preparation and implementation of an underground utilities plan for US 101 south of the bridge to Ferry Slip. Tokos said it's part of the South Beach Urban Renewal Plan. We have funds set aside for line undergrounding. We are trying to get all the lines along US 101 between the bridge and at least 35th, or maybe even as far as 40th, and then the lines on Ferry Slip undergrounded. He said there's an aesthetic aspect of it as part of Urban Renewal in trying to improve your streetscape. The other part of it is for tsunami evacuation purposes, it would be nice not to have those lines on the ground when people are trying to get to the Community College. Ferry Slip is the way they want to go. Even though the lines are likely not going to be active; but people don't know that. So to the extent that we can, we want to get the poles out of the way. Franklin agreed it would slow traffic. Patrick said and if you have lines lying on the ground, people are not going to cross them. Berman said another advantage to it is reliability. He said that's a big issue down there. Tokos agreed that's an excellent point. Croteau asked if you could later do fiber optics through the same system once you underground utilities. Could you retrofit fiber optics? Tokos said we do have a lot of fiber down there already that's underground. CoastCom has a lot of that down there in that area. We also have, as often is the case when you do any kind of line undergrounding, put in additional conduit so it's easier to put in new lines and you don't have to tear things up. Patrick said it all looked like good stuff. He didn't see anything other than that one that he didn't know about. Croteau said he wouldn't want to add anything. Patrick said we've grown this list over the last five or six years. Some of this stuff goes back even farther than that. Tokos said that some does. There are a few things that finally get knocked off the list. We have Safe Haven Hill that's about done finally after about five years.

Patrick asked if the Agate Beach thing is ever going to happen. Tokos said what happened was that was bid, and it came in well above because in part the restroom came in way high as did some of the stair case stuff. Some of the "Made in America" provisions of ODOT's contracting didn't work well with the restroom and the stair case stuff. They brought some additional money to the table, but it can't be used for the restroom or the stair case, so we pulled a few pieces out; the restroom, the stair case, and the drainage fix by the hotel. Those three pieces came out of the project, and we said that we would handle them with our match or at least a portion of our match. What was left of our match was enough to cover our portion of the federalized project. We're pulling out about \$260 thousand of our match to use on those three pieces. What's left in there, about \$100 thousand, is what we keep obligated with the federal project. Patrick asked what the federal part of the project is. Tokos explained that the federalized piece is mostly the road improvements; extension of Gilbert Way, the realignment of the access at 101, the repaving and restriping of the parking area. The extension of Gilbert Way is the biggest piece left in there. On the flip side, we can partner with the Surfriders a whole lot easier on the restroom design. We can do a prefab and not have to worry about every component being made in America, which was killing us on the federalized project. Tokos said a 260 square foot restroom and shower structure shouldn't be coming in at \$270 thousand; but we were told that's more or less what it came in at on the original bid. The federalized piece is going to be bid March 3rd. We're still looking at spring/summer construction. They'll go in and do their thing. All we will do prior to the federalized piece is put in stub outs for the restroom so that's in place. They'll come in and do all of their work; and then we will come in and construct the restroom, build the stair case, and do that drainage fix next to the hotel. So, it's going to happen. That's another one that's taken forever. Franklin asked about the drainage fix next to the hotel and wondered how serious that is. Tokos said it's pretty serious. There's a culvert there that broke off so it has eroded the drainage severely. It's like a ten-foot drop right from where that culvert is, and it's causing the slopes to over steep next to the hotel. So, we will be putting a drop structure in and will put additional rip rap to dissipate the discharge at the bottom. Branigan said there's a movement afoot to try to reroute the creek anyhow. Tokos said he had a phone call from somebody with respect to that. Branigan said they're having neighborhood meetings up there to lobby the City to reroute it. Tokos asked, that's changing where Big Creek goes; and he was told it is.

7. Unfinished Business. No unfinished business.

A. Parking Study update. Tokos wanted to provide the Commissioners with an update on the parking study. The consultant has been selected. The kick-off meeting is March 8th at 5:30 p.m. Commissioner Branigan is serving on that group along with thirteen other individuals. It will probably be a healthy, robust discussion in the kick-off meeting where we'll finalize scope and review schedule. Tokos has worked with the consultant, Lancaster Engineering, before; but not in this capacity. They do a lot of consulting work for developers on parking analyses and traffic impact analyses, and things of that nature. Tokos said we received two proposals; and when we did the reviewing of the proposals, these guys are really trying to get into the business and provided a very competitive and well-thought-out proposal as compared to the other firm who kind of has the corner of the market and responded in

that way and didn't put a lot into it. Croteau thought this looks pretty comprehensive. Patrick liked that they base their stuff on Donald Shoup's book, which he has read; and it had some good ideas. If these people have bought into Shoup's thing, we should get a good plan out of this. Croteau said it looked pretty good, and the price looked right; especially if it comes up with some practical and feasible solutions. He thinks this is well worth it. Tokos said he will be working closely with Public Works and make sure we feed into this process as much good data as we can in terms of the condition of some of our parking areas and what we see as the applicable needs so that we get as much out of the consultant as we can in their area of expertise.

B. Future work session with FCS Group to review case studies and outreach materials related to the Local Improvement District code update.

Tokos said that we're almost done with that project. Todd Chase asked if he could have one more work session, which Tokos thought we could work into the March 14th meeting if the Commission is up to it, to go over their final case study work and the outreach materials primarily; the FAQ, which they're still refining. He didn't put it in tonight's packet because their first draft of the FAQ needs work, and we provided feedback. Croteau thinks the consumer education and outreach will be a big part of this one. Tokos said one of the best things to come out of this he thinks is that we actually have a pretty slick tool as well, which is a fairly robust Excel spreadsheet that they did some custom macros with that we can use to customize each one of these and see what real impacts are to property owners. For most anything that's neighborhood scale we're trying to keep at 5-10% tops of your assessed value for it to be something that someone can reasonably afford to do. Berman said that what jumped out at him was that 50%. That's totally way out of line. Hardy agreed that it's ridiculous. Tokos said he's tweaking actually one of the Comp Plan policy pieces on that. They've spent a fair amount of time talking about that. He said there are two objectives we're talking about here. One of which is be realistic in how we scale for neighborhood improvements. He gave an example that a number of people approach the City to do a \$200 thousand sewer extension to serve ten lots that currently can't get sewer access because the line is too far away, and they're on septic systems that are old and they have to make a decision to replace those anyway. So they figure 10%; that's \$20 thousand apiece. You'd be spending that if not a little bit more in replacing a septic system anyway. It's not a great situation to be in as a homeowner. But all of us who own property face large capital improvements from time to time; roof replacement, septic system replacement. He said in that 5-10% range, that's where that kind of thing falls. The 50% he thinks has more to do with the City protecting itself from say a single developer-type liability saying don't get into something where they get in over their head and can't perform and the City's left having to deal with it and can't get it out of the property. Franklin said the hardest part in the example Tokos just gave is the property owner who just replaced their septic and was responsible and put capital into their property a couple of years before and then is faced with this. Tokos agreed. He said you will run into some of those with LIDs where there's going to be a property owner or two that will get burnt. It's not through any fault of their own; it's just circumstances.

Patrick asked if this isn't supposed to be a model. Tokos said that he had included the strategy document as background to take a look at how things are progressing to be part of the State's model. This is not only going to meet our needs because we got an updated code out of it and Comp Plan policies, but they will have this as a package for any jurisdiction interested in trying to better utilize the LID statutes; some different strategies they can pursue and some informational materials to provide to the public, that kind of thing. Patrick said it all looked pretty good to him so far; but there are some missing sections. He asked if the consultant will bring the complete thing at the March 14th meeting; and Tokos said he could have Chase do that. Berman asked, including the code? Tokos said the Commissioners have seen it before, and you certainly will see it again. He can certainly have that. He noted that we have spent a fair amount of time on the code; and his hope is on the 14th we won't have to spend a whole lot of time on that because otherwise he doesn't think we'll get to the FAQs.

8. Director Comments.

A. Status of Planning Commission/Advisory Committee recruitment. Tokos had pointed out in the staff memorandum that we're having a hard time recruiting. He said we've never had a hard time recruiting for the Planning Commission, but all of a sudden we are. We have one application; and we've gone out recruiting twice. He said, so if the Commissioners know of folks that might be interested, please put a bug in their ear to apply. They can just do the online form. If they can't make that type of time commitment, we still only have one application for the advisory committee; and we have two vacancies. We don't always have work sessions, so there's a little less of a time commitment. Croteau asked if we've tried to go back and reconnect with people who might have applied in the past. Tokos thought we looked at that at one point. Some of those folks have signed up to serve on other committees and

are actually on those committees now. We have one on the Senior Advisory Committee and may have one on the Parks and Recreation Committee. We have one that is no longer in the area. Croteau said it was worth a try.

Franklin asked what's going in on the corner of 6th Street. He just saw that they fenced it off. Tokos explained that it's a new coffee shop; Human Bean. Franklin asked, and in the old Staples location? Tokos said all he knows is they're closing. He's heard rumors that that might be some sort of discount grocery; but we have not seen anything for that yet.

9. Adjournment. Having no further business, the meeting adjourned at 8:01 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

**BEFORE THE PLANNING COMMISSION
OF THE CITY OF NEWPORT,
COUNTY OF LINCOLN, STATE OF OREGON**

IN THE MATTER OF PLANNING COMMISSION)	
FILE #1-CUP-16, APPLICATION FOR A)	
CONDITIONAL USE PERMIT AS SUBMITTED BY)	FINAL
OREGON BREWING CO., INC. (DENNIS BARTOLDUS,)	ORDER
AUTHORIZED REPRESENTATIVE) (PORT OF)	
NEWPORT, PROPERTY OWNER))	

ORDER APPROVING A CONDITIONAL USE PERMIT per Section 14.03.080/“Water-Dependent and Water-Related Uses” of the Newport Zoning Ordinance in order to add approximately 40,250 square feet of warehouse space to the existing brewery facility and to fill in a decommissioned boat launch creating a 35,400+/- square foot multi-use area for the Port of Newport. The project will be phased, with the multi-use area and 26,400 square feet of warehouse space being constructed as part of Phase 1 and 13,850 square feet of warehouse space being added with Phase 2.

WHEREAS:

- 1) The Planning Commission has duly accepted the application filed consistent with the Newport Zoning Ordinance; and
- 2) The Planning Commission has duly held a public hearing on the request, with a public hearing a matter of record of the Planning Commission on February 22, 2016.
- 3) At the public hearing on said application, the Planning Commission received testimony and evidence; and
- 4) At the conclusion of said public hearing, after consideration and discussion, upon a motion duly seconded, the Planning Commission **APPROVED** the request.

THEREFORE, LET IT BE RESOLVED by the City of Newport Planning Commission that the attached findings of fact and conclusions (Exhibit “A”) support the approval of the requested conditional use permit with the following condition(s):

- 1) Approval of this land use permit is based on the submitted written narrative and plans listed as Attachments to the Staff Report. No work shall occur under this permit other than that which is specified within these documents. It shall be the responsibility of the applicant/property owner to comply with these documents and the limitations of approval described herein.
- 2) The applicant/owner shall install, at their expense, a monitoring station in the road right-of-way at a point prior to the service discharging to the sanitary sewer system. The vault and associated equipment shall conform to city standards for the purpose of monitoring effluent flow, BOD, pH, and temperature, and once installed is to be owned and operated by the City. The monitoring system is to be in place and operational prior to occupancy of the Phase 1 expansion.
- 3) The Phase 2 site plan shall be revised to show that landscaping will be installed between Landscape Areas "A" and "B" on the site plan prepared by RSS Architecture, dated February 2016. Vehicles would then utilize the access between Landscape Areas "C" and "D" further to the east where they can approach the internal driveway at a 90-degree angle. The revised site plan shall be included as part of the applicant's building plan review submittal.
- 4) The applicant/owner shall stripe the multi-use area east of the expanded brewery, in a manner consistent with Chapter 14.14 of the Municipal Code if the area is to continue to be used for parking purposes. Alternatively, the existing striping shall be removed if the area will no longer be used to park vehicles.
- 5) The applicant/owner shall coordinate with the Newport Fire Department on the placement of hydrants as part of plan review to ensure that the standards of the 2014 Oregon Fire Code are met.
- 6) Approval of this conditional use permit is valid for a period of five (5) years.

BASED UPON THE ABOVE, The Planning Commission determines that the request for a Conditional Use Permit for a phased project to add approximately 40,250 square feet of warehouse space to the existing brewery facility and to fill in a decommissioned boat launch creating a 35,400+/- square-foot multi-use area for the Port of Newport is in conformance with the provisions of the Comprehensive Plan and the Zoning Ordinance of the City of Newport, and the request is therefore granted.

Accepted and approved this 14th day of March, 2016.

James Patrick, Chair
Newport Planning Commission

Attest:

Derrick I. Tokos, AICP
Community Development Director

EXHIBIT "A"

Case File No. 1-CUP-16

FINDINGS OF FACT

1. Oregon Brewing Company, Inc. (Dennis L. Bartoldus, authorized representative) submitted an application on February 2, 2016, for approval of a Conditional Use Permit, per Chapter 14.03.080/ "Water-Dependent and Water-Related Uses" of the Newport Municipal Code, for approval to add approximately 40,250 square feet of warehouse space to the existing brewery facility and to fill in a decommissioned boat launch creating a 35,400+/- square foot multi-use area for the Port of Newport. The project will be phased, with the multi-use area and 26,400 square feet of warehouse space being constructed as part of Phase 1 and 13,850 square feet of warehouse space being added with Phase 2. Implementation of the second phase would begin within 5 years. The request involves property that is located in a W-2/"Water-Related" zone.
2. The subject property is located at 2320 SE Marine Science (OSU) Dr. (Lincoln County Assessor's Map 11-11-17, a portion of Tax Lot 00111). The additional lease area is approximately 40,250 square feet in size. The parent property, which is owned by the Port of Newport, is roughly 62.76 acres per the Lincoln County Tax Assessor's map.
3. Staff reports the following facts in connection with the application:
 - a. Plan Designation: Shoreland.
 - b. Zone Designation: W-2/"Water-Related".
 - c. Surrounding Land Uses: Uses include a mixture of public land, educational facilities, and commercial uses.
 - d. Topography and Vegetation: The site is level with landscaping to the east.
 - e. Existing Structures: Brewery, restaurant, and warehouse building.
 - f. Utilities: All are available to the site.
 - g. Development Constraints: None known.
 - h. Past Land Use Actions: File No. 2-CUP-14, request for conditional use permit to add approximately 10,608 square feet of warehouse and barrel fabrication space to an existing distillery building.

File No. 1-CUP-12, a request to locate a 500-gallon still in the former Serven Marine Building, which is property the Brewery leases from the Port of Newport in South Beach. Approved by Final Order adopted May 14, 2012.

File No. 4-CUP-11, a request to expand the existing brewery by approximately 20,000 square feet for increased production capacity and storage. Approved by Final Order adopted May 9, 2011.

File No. 7-CUP-05, a request for amendment of a conditional use permit to expand the restaurant to the lower floor of the brewery. The warehouse capacity was also expanded at this time. Approved by Final Order adopted 10/10/05.

File No. 4-CUP-99, a request for amendment of a conditional use permit to allow construction of a second floor deck within the pub to increase seating capacity. Approved by Final Order adopted 9/13/99.

File No. 6-CUP-96, request for amendment of conditional use permit to allow the relocation of the brewery tasting room. Approved by Final Order adopted 5/29/96.

File No. 2-INT-94, an interpretation concurring with the applicant that the warehousing use of the property by the Oregon Brewing Company is a use permitted outright in the W-2 zone and finding that the office use is a permitted accessory use to the warehouse operation of the Oregon Brewing Company.

File No. 2-CU-92, request for a conditional use permit to allow the operation of a micro-brewery and tasting room in a W-2 zoning district. Approved by Final Order adopted 4/13/92.

4. Upon acceptance of the application, the Community Development (Planning) Department mailed notice of the proposed action on February 2, 2016, to affected property owners required to receive such notice by the Newport Zoning Ordinance, and to various city departments, agencies, and public utilities. The notice referenced the criteria by which the application was to be assessed. The notice required that written comments on the application be submitted by 5:00 p.m., February 22, 2016, or be submitted in person at the hearing. The notice was also published in the Newport News-Times on February 12, 2016. Comments were received from Tim Gross, Public Works Director, and Rob Murphy, Fire Chief.
5. A public hearing was held on February 24, 2016. At the hearing, the Planning Commission received the staff report and heard testimony from the applicant, Jim Cline, his agent, Dennis Bartoldus, and Port of Newport General Manager Kevin Greenwood. The minutes of the February 22, 2016, hearing are hereby incorporated by reference. The Planning Staff Report with Attachments is hereby incorporated by reference into the findings. The Planning Staff Report Attachments included the following:

- Attachment "A" – Application Form
- Attachment "A-1" – Applicant's Narrative
- Attachment "A-2" – Site Plans by RSS Arch., dated February 2016
- Attachment "A-3" – Demolition and utility plans, and cross-section drawings of the old boat launch fill by Civil West Engineering, dated February 2016
- Attachment "A-4" – Letter of understanding between the Port of Newport and Oregon Brewing Company, dated January 26, 2016
- Attachment "A-5" – Letter from Port of Newport approving the submittal of a conditional use permit application, dated February 2, 2016
- Attachment "B" – Zoning Map of the Area
- Attachment "C" – Emails from Tim Gross, Public Works, and Rob Murphy, Fire Department, dated February 2016
- Attachment "D" – Notice of Public Hearing
- Attachment "E" – Revised Phase 2 Landscaping and Circulation Plan

6. Pursuant to Section 14.03.080/"Water-dependent and Water-related Uses" of the Zoning Ordinance, a use that is permitted outright in a C-2/"Tourist Commercial" zoning district requires a conditional use permit to be located in a W-2/"Water-Related" zoning district. Entertainment-oriented retail, including taverns and bars, is a permitted use in the C-2 district. With this application, Oregon Brewing, Inc., commonly known as "Rogue Brewery," is seeking approval of a conditional use permit to add approximately 40,250 square feet of warehouse space to the existing brewery facility and to fill in a decommissioned boat launch creating a 35,400+/- square foot multi-use area for the Port of Newport. The project will be phased, with the multi-use area and 26,400 square feet of warehouse space being constructed as part of Phase 1 and 13,850 square feet of warehouse space being added with Phase 2 (Attachments "A-2" and "A-3"). Implementation of the second phase would begin within 5 years. City zoning maps confirm that the property is within a W-2/"Water-Related" district (Attachment "B").

7. The applicant notes that Rogue Brewery originally obtained a conditional use permit from the Newport Planning Commission in 1992 to locate a brewing facility at its present location in South Beach. That permit was granted in Case File 2-CUP-92. The Commission found that a microbrewery was an eating and drinking establishment pursuant to then Section 2-2-1.040(18) of the Newport Zoning Ordinance. It further imposed a condition of approval (Condition No. 2) requiring that any addition to the initially permitted brewery be subject to review and approval by the Newport Planning Commission. In 1999, Rogue applied for and was granted a conditional use permit to increase the size of the eating and drinking capacity of the facility. That permit was approved September 13, 1999, as Case File 4-CUP-99. In 2005, another conditional use permit was approved (Case File 7-CUP-05) granting permission to allow further expansion of the existing facility. As part of the 2005 expansion, a tasting room with retail sales was permitted at what was known as the South Beach Marina Store. Storage and office facilities were also permitted in another building; the Serven Marine Building. In 2011, under Case File 4-CUP-11, the Planning Commission approved another conditional use permit to allow expansion of the large building in South Beach by approximately 20,000 square feet. In 2012 the Planning Commission approved a conditional use permit (Case File No. 1-CUP-12) to include a still/distillery in a portion of the former Serven Marine Building. Finally, on April 28, 2014 the Planning Commission approved a 10,608 square foot addition to the old Serven Marine Building for warehouse and barrel fabrication space associated with the existing distillery (Case File No. 2-CUP-14).

8. The Zoning Ordinance permits, as conditional uses in a W-2 zone, uses that are outright allowed in a C-2 zone and manufacturing in conjunction with such uses. The brewery, restaurant, and warehouse building that is to be expanded includes an eating and drinking establishment, bar and small retail store all of which are components of an entertainment-oriented retail use. Accordingly, the use is permissible in the W-2 zone subject to conditional use approval. This is the premise and authorization under which previous conditional use applications have been approved for the Rogue Brewery. Additionally, it should be noted that warehouses are permitted as outright uses in a W-2 zone. Space in the proposed building addition will be used predominantly for warehouse purposes. The use being proposed is ancillary to, and enhances the production capacity of the brewery operation and is complementary to uses already existing at the Rogue facility in South Beach.

9. The applicable criteria for the conditional use request are found in NMC Section 14.34.050:
- a. The public facilities can adequately accommodate the proposed use.
 - b. The request complies with the requirements of the underlying zone or overlay zone.
 - c. The proposed use does not have an adverse impact greater than existing uses on nearby properties; or impacts can be ameliorated through imposition of conditions of approval.
 - d. A proposed building or building modification is consistent with the overall development character of the neighborhood with regard to building size and height, considering both existing buildings and potential buildings allowable as uses permitted outright.

CONCLUSIONS

Regarding the applicable criteria for the conditional use request, the following conclusions can be made:

A. Criterion #1. The public facilities can adequately accommodate the proposed use.

1. Public facilities are defined in the Zoning Ordinance as sanitary sewer, water, streets, and electricity.
2. The applicant notes that such services are available to the site and believes that; adequate sanitary sewer, storm sewer, domestic water, fire sprinkler system water, natural gas, and electricity can be readily provided.
3. The email from Tim Gross, Public Works Director/City Engineer, notes that the brewery has a significant impact on the City's wastewater system due to the high biological oxygen demand (BOD) associated with the facilities wastewater effluent. He further notes that the current monitoring system is inadequate to monitor those discharges to determine the extent to which they adhere to or deviate from parameters the City has established for waste discharges, which are defined in Section 5.15.060 of the Newport Municipal Code (Attachment "C"). The proposed addition enhances the capacity of the brewery operation, which will further exacerbate the problem if it is not addressed.
4. Mr. Gross recommends that the Commission impose a condition of approval requiring the applicant, Oregon Brewing Company, Inc., relocate and upgrade the existing wastewater monitoring station, at its expense, before an occupancy permit is granted for the expansion. The existing monitoring station is located adjacent to the Silo at the entrance to the brewery, and the Public Works Department would like to see it placed instead within the public right-of-way since the equipment would be owned and operated by the City. The upgraded station will monitor flow, BOD, pH, and temperature and the Public Works Department believes that with this improvement, they will have the tools needed to effectively monitor effluent being discharged from the brewery. This will allow them to better assess how the brewery is impacting the City's sewer system, which

should assist both the City and Oregon Brewing Company, Inc. in identifying any operational changes needed to address discharges that fall outside the parameters the City has set for wastewater that is directed into the public sewer system.

5. Rob Murphy, Newport Fire Chief, expressed a desire to see the existing hydrant at the southeast corner of the building remain and that a new hydrant be installed immediately to the east as part of the expansion. Oregon Brewing Company, Inc. testified that they are prepared to address the Fire Department's concerns and there are adequate building codes in place to ensure that this occurs during the building plan review and inspection phase of the project.

6. The vehicle access between proposed Landscape Areas "A" and "B" on the Phase 2 site plan prepared by RSS Architecture (Attachment "A-2") creates an odd angle approach at the intersection of the driveway and SE Marine Science Drive. This creates a safety issues for vehicles at this location that can be resolved by joining the two landscape areas, which results in the access being closed (Attachment "E"). Vehicles would then utilize the access between Landscape Areas "C" and "D" further to the east where they can approach the internal driveway at a 90-degree angle. Staff discussed the change with the applicant, Oregon Brewing Company, Inc., who indicated they were comfortable with this change.

7. Given the above, the Planning Commission concludes that public facilities can adequately accommodate the proposed building expansion, provided the effluent monitoring system and hydrant are installed and the Phase 2 approach at the intersection with SE Marine Science Drive is modified, as noted.

B. Criterion #2. The request complies with the requirements of the underlying zone or overlay zone.

1. This criterion addresses special requirements of the underlying or overlay zone beyond the standard zoning ordinance requirements.

2. The applicant notes that the Planning Commission has previously made several determinations that the proposed use complies with the underlying zone. An expansion to an allowed use is required to provide off-street parking in accordance with Chapter 14.14 of the Newport Municipal Code. The site plans show that this is being accommodated with new striped parallel spaces along the internal driveway adjacent to SE Marine Science Drive and with new stalls adjacent and perpendicular to the east face of the expanded building.

3. The site plans show the multi-use area east of the expanded brewery as being striped (Attachment "A-2"). This area has traditionally been used for dry camping and the agreement between the Port of Newport and Oregon Brewing Company, Inc. indicates that the Port is responsible for installing the striping (Attachment "A-4"). The striping arrangement shown appears to generally conform with the standards set forth in Chapter 14.14 of the Municipal Code; however, the plans have not been drawn at a scale where that can be definitively confirmed. Nonetheless, the plans are illustrative enough to show that it is feasible to stripe parking stalls and drive isles in a manner that meets city standards. If the area will continue to be used for dry camping or other parking, then the striping needs to be done concurrent with the brewery project since the expanded structure disrupts the current striping arrangement. Alternatively, the Port of Newport may elect to remove the striping if the area will no longer be used for parking purposes.

4. Given the above, the Planning Commission concludes that this criterion is satisfied provided the striping of the multi-use "dry camping" area is addressed, as discussed.

C. Criterion #3. The proposed use does not have an adverse impact greater than existing uses on nearby properties; or impacts can be ameliorated through imposition of conditions of approval.

1. This criterion relates to the issue of whether or not the proposed use has potential "adverse impacts" greater than existing uses and whether conditions may be attached to ameliorate those "adverse impacts." Impacts are defined in the Zoning Ordinance as the effect of nuisances such as dust, smoke, noise, glare, vibration, safety, and odors on a neighborhood.

2. The applicant notes that there will be no increase in delivery fleet vehicular traffic on adjacent streets as a result of the proposed building addition. Pedestrian and forklift traffic will occur internally between portions of the existing building and the proposed new construction. Two additional restrooms are proposed for the proposed new construction. The use of the new construction, just like a portion of the existing building use, is storage of beverages. Employees working in the new construction, just like now in the existing building, will be part of the overall workforce for Rogue Brewery in South Beach. The proposed building addition is a continuation of storage use currently in place in the existing building. More product storage space will not create additional/unreasonable noise, dust or air quality concerns.

3. Safety is a concern with respect to the proposed odd angle vehicle approach at the intersection with SE Marine Science Drive with Phase 2; however, the applicant has indicated that they support closing that access and directing traffic further to the east as outlined in a previous finding.

4. Given the above, the Planning Commission concludes that this criterion has been satisfied.

D. Criterion #4. A proposed building or building modification is consistent with the overall development character of the neighborhood with regard to building size and height, considering both existing buildings and potential buildings allowable as uses permitted outright.

1. The applicant notes that the proposed building addition is being designed to mimic the motif and character of the existing Rogue Brewery warehouse aesthetic. The proposed building addition proportions, materials, and aesthetic character will be compatible with the existing Rogue Brewery warehouse and appear as if it and the existing building are one in the same and have always been one structure. Doing so will result in overall development character consistent with the area and adjacent structures.

2. Given the above, the Planning Commission concludes that the addition to the brewery building will be consistent with the overall development character of the neighborhood.

OVERALL CONCLUSION

Based on the application material, the Planning Staff Report, and other evidence and testimony in the record, the Planning Commission concludes that the above findings of fact and conclusions

demonstrate compliance with the criteria for a conditional use permit found in Section 14.34.050 of the Newport Municipal Code (NMC); and, therefore, the requested conditional use permit for a phased project to add approximately 40,250 square feet of warehouse space to the existing brewery facility and to fill in a decommissioned boat launch creating a 35,400+/- square foot multi-use area for the Port of Newport can satisfy the approval criteria for a conditional use and is hereby approved with the imposition of the following conditions of approval:

1. Approval of this land use permit is based on the submitted written narrative and plans listed as Attachments to this report. No work shall occur under this permit other than that which is specified within these documents. It shall be the responsibility of the applicant/property owner to comply with these documents and the limitations of approval described herein.
2. The applicant/owner shall install, at their expense, a monitoring station in the road right-of-way at a point prior to the service discharging to the sanitary sewer system. The vault and associated equipment shall conform to city standards for the purpose of monitoring effluent flow, BOD, pH, and temperature, and once installed is to be owned and operated by the City. The monitoring system is to be in place and operational prior to occupancy of the Phase 1 expansion.
3. The Phase 2 site plan shall be revised to show that landscaping will be installed between Landscape Areas "A" and "B" on the site plan prepared by RSS Architecture, dated February 2016. Vehicles would then utilize the access between Landscape Areas "C" and "D" further to the east where they can approach the internal driveway at a 90-degree angle. The revised site plan shall be included as part of the applicant's building plan review submittal.
4. The applicant/owner shall stripe the multi-use area east of the expanded brewery, in a manner consistent with Chapter 14.14 of the Municipal Code if the area is to continue to be used for parking purposes. Alternatively, the existing striping shall be removed if the area will no longer be used to park vehicles.
5. The applicant/owner shall coordinate with the Newport Fire Department on the placement of hydrants as part of plan review to ensure that the standards of the 2014 Oregon Fire Code are met.
6. Approval of this conditional use permit is valid for a period of five (5) years.